

Message Text

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PAGE 01 STATE 204444
ORIGIN AF-10

INFO OCT-01 EUR-12 ISO-00 EB-08 AID-05 AGR-01 TRSE-00
OMB-01 SSO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00
ICAE-00 INRE-00 SP-02 SS-15 STR-07 CEA-01 COME-00
FRB-03 INR-10 XMB-02 OPIC-03 LAB-04 SIL-01 L-03
H-01 /090 R

DRAFTED BY AF/C:WLSWING:DMA
APPROVED BY AF/RMMOOSE
AF/C:LDJUNIOR
EB/RHORMATS
AID:DGRIFFITH
USDA:JKEEFER
TREAS:RBLAKE
USDA:GPOPE
AID:KBITTERMAN
OMB:PDESAULT

-----064505 120122Z /75

O 120053Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY KINSHASA IMMEDIATE
INFO AMEMBASSY PARIS IMMEDIATE
AMEMBASSY BRUSSELS IMMEDIATE

C O N F I D E N T I A L STATE 204444

E.O. 11652:GDS

TAGS:CG, EAID

SUBJECT: FY-78 ECONOMIC ASSISTANCE FOR ZAIRE

REF: (A) STATE 288697 (B) STATE 65454 (C) STATE 110758
(D) STATE 292687 (E) STATE 160124 (F) KINSHASA 8563
(G) KINSHASA 6812 (H) KINSHASA 8585 (I) KINSHASA 3617

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PAGE 02 STATE 204444

SUMMARY. EMBASSY IS AUTHORIZED TO SIGN IMMEDIATELY PL-480
TITLE I AGREEMENT. YOU MAY ALSO ENTER INTO SSA OBLIGATIONS
AS SOON AS THE BROOKE AMENDMENT VIOLATION IS SATISFIED.
DECISION TO GO AHEAD WITH PL-480 AND SSA COMMITMENTS WAS
TAKEN IN VIEW OF RECEIPT OF GOZ FOREIGN EXCHANGE BUDGET
(KINSHASA 8563), RECENT GOZ MEASURES TO IMPROVE EXPORT
REPATRIATION, AND THE IMMINENT ARRIVAL OF IMF PRINCIPAL

DIRECTOR FOR THE CENTRAL BANK WITH EXPATRIATE SPECIALISTS
IN KEY MINISTRIES TO FOLLOW. END SUMMARY.

1. WE SHARE EMBASSY'S VIEW (KINSHASA 8563) THAT PROJECTED
THIRD QUARTER FOREIGN EXCHANGE RECEIPTS AND GOVERNMENT
EXPENDITURES FURNISHED BY GOZ DID NOT INCLUDE AS MUCH
DETAIL AS WE HAD HOPED. EXAMINATION OF DATA ALSO RAISES
CERTAIN QUESTIONS REGARDING SERIOUSNESS OF THIRD QUARTER

IMPORT OUTLOOK. WE WILL SEND OUR ASSESSMENT ON THIS POINT
SEPTEL. NONETHELESS THE WILLINGNESS OF THE GOZ TO SUPPLY
DATA AND MORE IMPORTANTLY THE RECENT MEASURES TAKEN TO
ENSURE BETTER REPATRIATION OF EXPORT RECEIPTS AS WELL AS
THE RECENT ARRIVAL OF NEW IMF PRINCIPAL DIRECTOR BLUMEN-
THAL SATISFY INTENT OF OTHER PRECONDITIONS WE IMPOSED ON
OUR EMERGENCY ASSISTANCE TO ZAIRE AT BRUSSELS.

2. MISSION IS HEREBY AUTHORIZED TO SIGN PL-480 TITLE I
AGREEMENT PER STATE 288697 AND STATE 65454 TOTALING
\$18 MILLION TO BE AMENDED AS FOLLOWS:

A. TO MEET ZAIRE'S URGENT FOOD NEEDS MISSION IS INSTRU-
CTED TO MODIFY PART II ITEM I BY "REDUCING TOBACCO TONNAGE
FROM 2,000 MT TO 1,000 MT AND DOLLAR VALUE FROM \$8 MIL TO
\$4 MIL" AND "INCREASING WHEAT TONNAGE FROM 20,000 MT TO
50,000 MT AND DOLLAR VALUE FROM \$2.4 MIL TO \$6.4 MIL."
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PAGE 03 STATE 204444

B. AMEND SUPPLY PERIOD BY ADDING "PLUS OCT 1978 - JAN
79."

ALTHOUGH MISSION REQUESTED SUBSTITUTION RICE FOR TOBAC-
CO, WE ARE INCLUDING INCREASED WHEAT IN AGREEMENT SINCE
IT NOT POSSIBLE TO DETERMINE OUTCOME LOCAL RICE PRODUCTION
EXPECTED LATE 78 - EARLY 79 AND ANY SHORT-FALL AT THIS
TIME. WE PREPARED TO AMEND THE AGREEMENT LATER TO REFLECT
COMMODITY CHANGES IF JUSTIFIED.

3. USDA ADVISES THAT IN ORDER MEET CRITICAL NEED FOR
COMMODITIES IN KINSHASA AND REQUIREMENT THAT PL-480
TITLE I COMMODITIES BE SHIPPED BY SEPTEMBER 30, IT IS
ESSENTIAL THAT REQUIREMENTS DELINEATED IN STATE 288697,
292687, 110758, IMMEDIATELY BE MET. IN VIEW OF DELAYED
SIGNING, THEY ASK THAT YOU UPDATE BELLMON REQUIREMENT
AND OPERATIONAL CABLE (KINSHASA 3617). IN THIS REGARD,
REQUEST YOU ADDRESS QUESTION OF WHETHER OR NOT BELGIAN
TECHNICIANS ARE TO BE ASSIGNED TO CUSTOMS AND INVOLVED
WITH DISTRIBUTION OF FOODSTUFFS. ADVISE GOZ TO REQUEST
PURCHASE AUTHORIZATION IMMEDIATELY ON SIGNING AND TAKE
NECESSARY ACTION TO EXPEDITE PURCHASE AND SHIPMENT. 72-
HOUR DELAY IN SIGNING REQUIRED BY PARA 9 STATE 288697

WAIVED.

4. AID WASHINGTON PREPARED PROCEED WITH SSA PROGRAM AS OUTLINED IN KINSHASA 6812 SUBJECT TO SATISFACTION OF THE BROOKE AMENDMENT. RECOMMEND OBLIGATION OF SSA LOAN AS SOON AS POSSIBLE THEREAFTER WITH GOZ ACTIONS SUGGESTED KINSHASA 8563 AS CONDITIONS PRECEDENT TO DISBURSEMENT.

5. LONGER-TERM ASSISTANCE REQUIREMENT WILL OF COURSE CONTINUE TO BE SUBJECT TO PROGRESS ON AN IMF STANDBY, FURTHER ECONOMIC AND FINANCIAL REFORMS, AND REVIEW BY DONOR COMMUNITY IN OCTOBER AND NOVEMBER OF ZAIRE'S EFFORTS. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
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Concepts: ECONOMIC ASSISTANCE
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Draft Date: 12 aug 1978
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
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ISecure: 1
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Litigation Codes:
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